the Indian stock markets have received a major setback due to the recent securities scam; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) No, Sir.

(b) Does not arise.

Reopening of No. 1 Mill of Titagarh paper mills

@561. SHRI MOHAMMED AMIN: Will the Minister of FINANCE be pleased to state:

(a) whether IDBI has since released Rs. 1806 crores required to reopen the No. 1 Mill of Titagarh Paper Mills; and

(b) if so, whether efforts to reopen the mill are going on in full force?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) The Industrial Development Bank of India (IDBI) has reported that out of Rs. 1850 lakhs sanctioned by the institutions pursuant to a rehabilitation scheme formulated and sanctioned by BIFR in December, 1990, it has disbursed Rs. 50 lakhs to meet expenditure on repairs and over-hauling of the plant and machinery prior to restarting of Mill No. 1 of Titagarh Paper Mills. Since a core promoter has not yet been identified to manage this company, the amount remains unutilised with the company. Efforts are however being made under the aegis of the Board for Industrial and Financial Reconstruction (BIFR) by the State Govt. of West Bengal, IDBI and the company to identify a core promoter.

Computerisation of Accounting in RBI

562. SHRI S. K. T. RAMACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) what steps have been taken by Government to computerise the system of accounting in the RBI;

(b) what steps have been taken to prevent the misuse and abuse of bank receipts; and

(c) what steps are being taken to prevent the misuse of account payee cheques, credited in favour of some one other than the payee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Reserve Bank of India (RBI) have recently installed a computer system and developed the software for computerisation of Securities General Ledger (SGL) Accounts in their Public Debt Office at Bombay. Advanced Ledger Posting Machines have been installed in Madras and New Delhi Offices, and will soon be installed in Bombay, Hyderabad and Bangalore Offices. RBI have also installed a nation-wide network for transmission of funds related messages.

(b) RBI have reported that on the basis of recommendations contained in the first interim report of the Janakiraman Committee they have issued in June, 1992 detailed guidelines to banks on the conduct of their investment portfolio. These guidelines seek *inter-alia* to restrict the use of bank receipts (BR). In terms of these guidelines banks have been advised that no BR should be issued under any circumstances in respect of transactions in Government securities for which SGL facility is available. Even in the case of other securities banks have been advised that BR be issued for ready transactions only under special circumstances mentioned in RBI's circular of June, 1992.

(c) RBI have reported that Negotiable Instrument Act (NI Act) 1881 contains safeguards against misuse of crossed cheques. In terms of the provisions of NI Act, payment of a crossed cheque, where the cheque is crossed generally, shall not be made by the banker on whom it is drawn otherwise than to a banker. Where a cheque is crossed specially the payment shall not be made by

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@Previously Unstarred Question 197, transferred from the 9th July, 1992.

the banker on whom it is drawn otherwise than to the banker to whom it is crossed or his agent for collection. These provisions further provide that if a banker credits the proceeds of a crossed cheque to someone other than the payee he would in case the title to a cheque proves defective incur liability to the true owner of the cheque by reason only of having received such payment.

Impact of liberalisation on gold prices and its smuggling

563. SHRI RAJNI RANJAN SAHU:
DR. ABRAR AHMED:

SHRIMATI KAMLA SINHA:

Will the Minister of FINANCE be pleased to state:

(a) what were the prices of gold before and after liberalisation of gold import policy and how these compare with the international price of gold;

(b) what is the amount of gold smuggled into India during the period six months prior to liberalisation of gold import policy;

(c) what is the amount of Gold smuggled into India since liberalisation of gold import policy and what is the percentage of decline in the smuggling as result thereof;

(d) what is the number of persons apprehended for smuggling of gold be the Enforcement Authorities since May, 1992 indicating comparative figures for each quarter during 1991; and

(e) what steps are contemplated to check the smuggling of gold?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Average monthly price of primary gold in the Bombay and London markets for each of the months of 1992 (from January to June) are given in the table below:—

Average monthly price of gold

(In Rs. per 10 grams)

1992	Bombay Market	London Market
January	4910	2995
February	4708	2987
March	4245	2878
April	4465	2830
May	4173	2821
June	4109	2847

(b) and (c) Since smuggling is a clandestine activity, it is not possible to quantify the amount of gold smuggled into India during the period of 6 months prior to liberalisation of the gold import policy and thereafter. However, the Customs authorities have seized approximately 1684 kgs. of gold during the 6 months period from September, 1991 to Feb. 1992 and seized 832 kgs. of gold approximately during the period from March to June, 1992.

(d) The number of persons arrested for being involved in the smuggling of gold by various enforcement agencies in